Basic information

2016/2269(INI) INI - Own-initiative procedure	Procedure completed
Combating inequalities as a lever to boost job creation and growth **Subject** 4.10.08 Equal treatment of persons, non-discrimination 4.15.08 Work, employment, wages and salaries: equal opportunities women and men, and for all	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
EMPL Employment and Social Affairs	LÓPEZ Javi (S&D)	25/10/2016
	Shadow rapporteur KÓSA Ádám (PPE) STEVENS Helga (ECR) CALVET CHAMBON Enrique (ALDE) LE HYARIC Patrick (GUE/NGL) VANA Monika (Verts/ALE) AGEA Laura (EFDD) BIZZOTTO Mara (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	MATIAS Marisa (GUE/NGL)	12/10/2016
FEMM Women's Rights and Gender Equality	KOZŁOWSKA Agnieszka (PPE)	11/10/2016

European Commission

Commission DG	Commissioner
Employment, Social Affairs and Inclusion	THYSSEN Marianne

Key events

Date	Event	Reference	Summary
24/11/2016	Committee referral announced in Parliament		
19/10/2017	Vote in committee		
31/10/2017	Committee report tabled for plenary	A8-0340/2017	Summary
15/11/2017	Debate in Parliament		
16/11/2017	Decision by Parliament	T8-0451/2017	Summary
16/11/2017	Results of vote in Parliament		
16/11/2017	End of procedure in Parliament		

Technical information	
Procedure reference	2016/2269(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/8/07679

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE606.008	06/06/2017	
Committee opinion	FEMM	PE607.813	27/06/2017	
Amendments tabled in committee		PE607.984	07/07/2017	
Committee opinion	ECON	PE605.945	26/09/2017	
Committee report tabled for plenary, single reading		A8-0340/2017	31/10/2017	Summary
Text adopted by Parliament, single reading		T8-0451/2017	16/11/2017	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2018)52	22/03/2018	

Combating inequalities as a lever to boost job creation and growth

2016/2269(INI) - 31/10/2017 - Committee report tabled for plenary, single reading

The Committee on Employment and Social Affairs adopted the own-initiative report by Javi LÓPEZ (S&D, ES) on combating inequalities as a lever to boost job creation and growth.

Equality and fairness are a cornerstone for the European social model, the EU and its Member States. The objectives of both the Member States and the EU include the promotion of employment, with a view to lasting high employment and combating exclusion.

Inequality and unemployment curtail effective demand, frustrate innovation, and can lead to increased financial fragility. Combating inequalities can be a lever to boost job creation and growth and at the same time reduce poverty.

European policy coordination to combat inequality: Members affirmed that inequalities threaten the future of the European project. They emphasised the reduction of inequalities must be one of the main priorities at the European level, not only in order to tackle poverty or promote convergence, but also as the precondition for economic recovery, decent job creation, social cohesion and shared prosperity.

The Commission and the Member States are asked to **evaluate the performance and outcomes of economic policy coordination**, taking into account the evolution of social progress and social justice in the EU. Members observed that the **European Semester has not prioritised** the achievement of these aims and the reduction of inequalities.

Against this background, Members urged the Commission to:

- improve the process of policy coordination in order to better monitor, prevent and correct negative trends that could increase inequalities and weaken social progress;
- present to Parliament and to the Council by mid-2018 an analysis and comparison of the impact and results achieved by the country specific recommendations and the measures taken within the scope of the European Semester and under different EU programmes for overcoming the inequalities resulting from the economic crisis;
- outline further policy recommendations for combating inequalities;
- establish an accurate and up-to- date picture of the differences in income and wealth, social cohesion and social inclusion between and within countries,
- promote **ambitious investment** in social protection, services and infrastructures by Member States through a more targeted and strategic use of the European Structural and Investment Funds and the European Fund for Strategic Investments, in order to respond to the social and economic needs of Member States and regions;
- put forward a concrete 'Roadmap completing the Social Dimension of the EMU';
- work with Member States to develop comprehensive strategies for job creation, entrepreneurship and innovation, aiming for strategic investment in green jobs, in the social, health and care sectors, and in the social economy, whose employment potential is untapped;
- **propose a higher funding level for the Youth Employment Initiative** (YEI) for the period 2017-2020, to at least **EUR 21 billion**, including better reaching young people under 30;
- contribute to better implementation of the **Youth Guarantee.**

Improving working and living conditions: the Commission and the Member States are called on to improve working and living conditions and to step up their efforts to fight the shadow economy and **undeclared work**. Members urged them to explore the possibility of establishing a **European unemployment insurance scheme**, complementing current national unemployment benefit systems and to promote **fairer wage scales.**

Strengthening the welfare state and social protection: the report encouraged the Member States to improve their welfare systems (education, health, housing, pensions and transfers) on a basis of high-level social safeguards, in order to achieve comprehensive protection of people, taking into account the new social risks and vulnerable groups that have appeared as a result of the financial, economic and then social crises with which the Member States have had to cope. Investment in quality and affordable early childhood education and care services should be strengthened as this is key for combating inequalities in the long term.

Members called for:

- a European framework in line with the related ILO recommendation, outlining a **social protection floor** guaranteeing universal access to healthcare, basic income security, access and support for education;
- universal access to affordable housing, protecting vulnerable households against eviction and over-indebtedness;
- swift action on the current **migration and refugee crisis** and guarantee that refugees have access to rapid language and culture learning processes, training, quality housing, healthcare, education, labour market and social protection and recognition of formal and non-formal skills and capabilities, and to ensure their inclusion in society;
- support in strengthening public and occupational **pension systems** to provide an adequate retirement income above the poverty threshold;
- **care credits** in pension systems to compensate for lost contributions of women and men due to childcare and long-term care responsibilities, as a tool to reduce the gender pension gap;
- the swift adoption of the directive on gender balance among non-executive directors of listed companies, as an important first step towards equal representation in both public and private sectors.

Lastly, as regards the **modernisation of tax systems**, objective taxation policies are crucial and that many Member States need a deep tax reform. Real actions against tax avoidance and tax fraud are needed, as an important means of reducing economic inequalities and improving the collection of tax revenues in Member States.

Reforms should also tackle corruption in public administration and tackle wealth inequality, including by redistributing the excessive concentration of wealth. Further coordination, approximation and harmonisation of tax policy, as well as measures against tax havens, tax fraud and evasion are called for.

Combating inequalities as a lever to boost job creation and growth

2016/2269(INI) - 16/11/2017 - Text adopted by Parliament, single reading

The European Parliament adopted by 386 votes to 102, with 51 abstentions, a resolution on combating inequalities as a lever to boost job creation and growth.

Equality and fairness are an integral part of European values and a cornerstone for the European social model. Combating inequalities can be a lever to boost job creation and growth and at the same time reduce poverty (47.5 % of all unemployed persons in the EU were at risk of poverty in 2015).

European policy coordination to combat inequality: Parliament affirmed that inequalities threaten the future of the European project. It emphasised the reduction of inequalities must be **one of the main priorities at the European level**, not only in order to tackle poverty or promote convergence, but also as the precondition for economic recovery, decent job creation, social cohesion and shared prosperity.

The European Semester has not prioritised the achievement of these aims and the reduction of inequalities. Therefore, it urged the Commission to:

- improve the process of policy coordination in order to better monitor, prevent and correct negative trends that could increase inequalities and weaken social progress;
- **within the scope of the European Semester, better assess imbalances in terms of income and wealth distribution**, and to justify its proposals and recommendations for political decisions with solid and detailed data;
- promote **ambitious investment in social protection, services and infrastructures** by Member States through a more targeted and strategic use of the European Structural and Investment Funds and the European Fund for Strategic Investments, in order to respond to the social and economic needs of Member States and regions;
- continue, with the Member States, efforts to **reduce inequalities between income groups** and promote measures to ensure, *inter alia*, decent working conditions for all, public education and health, pensions, adequate public infrastructure and social services;
- work with Member States to develop **comprehensive strategies for job creation**, entrepreneurship and innovation, aiming for strategic investment in green jobs, in the social, health and care sectors, and in the social economy, whose employment potential is untapped;
- propose an **upward revision of the Youth Employment Initiative (YEI) budget** for the period 2017-2020, including better reaching young people under 30 and facilitate the implementation of the **Youth Guarantee**.

Parliament reiterated its call for the establishment of an authentic **European Pillar of Social Rights** which promotes upwards convergence, taking into consideration the share of competences laid down in the Treaties and the building of a deeper and fairer social dimension of the EMU.

Improving working and living conditions: given that undeclared work, atypical work contracts and other forms of non-standard employment may give rise to lower wages, Parliament urged the need for **adequate social security** and social protection to be provided to protect all workers and for increased efforts to fight the shadow economy and undeclared work.

Members called for an accurate **common employment classification** in order to reduce precariousness. Moreover, the new skills strategy must provide **affordable access for all workers to lifelong learning** and ensure adaptation to digitalisation and permanent technological change.

The resolution stressed the importance of **social dialogue** and collective bargaining for determining wages. It called on the Commission to improve the health and safety of workers at work and called for the implementation of a strong anti-discrimination policy.

Strengthening the welfare state and social protection: Parliament encouraged the Member States to **improve their welfare systems** (education, health, housing, pensions and transfers) on a basis of high-level social safeguards, in order to achieve comprehensive protection of people, taking into account the new social risks and vulnerable groups that have appeared as a result of the financial crisis. Investment in quality and affordable **early childhood education** and care services should be strengthened as this is key for combating inequalities in the long term.

Members called for:

- **universal access to affordable housing**, protecting vulnerable households against eviction and over-indebtedness;
- **swift action on the current migration and refugee crisis** and guarantee that refugees have access to rapid language and culture learning processes, training, quality housing, healthcare, education, labour market and social protection and recognition of formal and non-formal skills and capabilities, and to ensure their inclusion in society;
- support in strengthening **public and occupational pension systems** to provide an adequate retirement income above the poverty threshold;
- **care credits in pension systems** to compensate for lost contributions of women and men due to childcare and long-term care responsibilities;
- the right to decent and barrier-free work for people with **disabilities**;
- **fairer international trade agreements** that respect European labour market regulations and ILO core conventions, while also protecting quality employment and workers' rights;
- active labour market policies, based on **gender mainstreaming** aimed at increasing women's participation in the labour market.

Modernising taxation: Members insisted that many Member States need a deep tax reform. Real actions against tax avoidance and fraud would be an important means of reducing economic inequalities and improving the collection of tax revenues in the Member States.

Reforms should also tackle corruption in public administration and address wealth inequality, including by **redistributing the excessive concentration of wealth**, since this is vital if inequality is not to be exacerbated in many Member States.